

Southern Railway System

No.

Date JUL 18 1980

Fee \$ 50.00

ICC Washington, D. C.

DONALD R. McARDLE
VICE PRESIDENT & COMPTROLLER

Accounting Department

P.O. Box 1808

Washington, D.C. 20013

12018

RECORDATION NO. Filed 1425

JUL 18 1980 - 1 45 PM

INTERSTATE COMMERCE COMMISSION

920 15TH STREET, N.W.
TEL: (202) 383-4403
(202) 383-4404

July 17, 1980
58104

Mrs. Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
Washington, D. C. 20423

Dear Mrs. Mergenovich:

I enclose three original counterparts of the instrument described in paragraph (1) hereof, for recordation pursuant to Section 11303 of Title 49, U.S. Code and return, together with two additional counterparts thereof which are for the Commission's files.

In accordance with 49 CFR Part 1116, covering the recordation of documents, I wish to advise as follows:

- (1) The enclosed document is a Lease of certain railroad equipment, more fully described below, from Southern Region Industrial Realty, Inc., Lessor, P.O. Box 1808, Washington, D.C. 20013, to Southern Railway Company, Lessee, P.O. Box 1808, Washington, D.C. 20013, dated as of July 17, 1980.

(2) The equipment covered by this Agreement is described as follows:

- 250 100-ton 4,800 cu. ft. capacity Covered Hopper Cars, bearing Lessee's road numbers 88000-88249, inclusive, AAR designation LO; and
- 28 GP50 Diesel-Electric Locomotives, bearing Lessee's road numbers 7003-7030, inclusive, AAR designation B-B.

RECEIVED

JUL 18 1 41 PM '80

I.C.C.
FEE OPERATING BR.

— Kimberley A. Woodruff

Each unit of the Equipment will be marked in letters not less than one-half inch in height as follows:

"OWNERSHIP SUBJECT TO A SECURITY AGREEMENT
FILED WITH THE INTERSTATE COMMERCE COMMISSION."

- (3) After recordation, the original documents should be returned to David R. Willson, General Attorney, Law Department, Southern Railway Company, P.O. Box 1808, Washington, D.C. 20013.
- (4) The recordation fee of \$50.00 is enclosed.

Please acknowledge receipt of these documents on the enclosed copy of this letter.

Very truly yours,



D. R. McArdle

Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

7/21/80

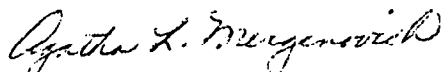
OFFICE OF THE SECRETARY

D.R.McArdle
Southern Railway System
P.O.Box 1808
Washington, D.C. 20013

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **7/19/80** at **1:45pm**, and assigned re-
recording number(s). **12018**

Sincerely yours,


Agatha L. Mergenovich
Secretary

Enclosure(s)

Executed in five Counterparts of
which this is Counterpart No.

RECORDATION NO. 12018 Filed 1425

JUL 18 1980 - 1 45 PM

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT, dated as of July 17, 1980, by and between SOUTHERN REGION INDUSTRIAL REALTY, INC., a Georgia corporation (the "Vendor"), and SOUTHERN RAILWAY COMPANY, a Virginia corporation (the "Vendee")

W I T N E S S E T H:

THAT

WHEREAS, Vendee desires to acquire 250 100-ton 4,800 cu. ft. capacity Covered Hopper Cars, to bear Vendee's road numbers 88000-88249, both inclusive; and 28 GP50 Diesel-Electric Locomotives, to bear Vendee's road numbers 7003-7030, both inclusive; all 278 such cars and locomotives being hereinafter collectively called the "Units"; and

WHEREAS, Vendee, by Purchase Orders Numbered 141292 and 140592, dated as of December 13, 1979, and October 25, 1979 [the Purchase Orders], has contracted with Pullman Incorporated (Pullman Standard Division) [Pullman], and General Motors Corporation (Electro-Motive Division) [EMD], respectively, to build these Units; and

WHEREAS, the builders of the Units, Pullman for the Covered Hopper Cars, and EMD for the GP50 Locomotives, under the terms of the Purchase Orders, are to deliver the Units to Vendee at Catlett, Virginia, and Jeffersontown, Kentucky, respectively, freight charges, if any, prepaid; and

WHEREAS, inasmuch as Vendee has not yet consummated financing arrangements for the acquisition of the Units, it is not in a position to accept delivery of the Units at this time; and

WHEREAS, Vendee anticipates that the above-described financing arrangements will be consummated on or before January 17, 1981, and Vendee, in order that it may take possession of and use the Units pending completion of such financing arrangements, has requested Vendor to take an assignment of Vendee's rights to receive and purchase these Units under the Purchase Orders, to purchase these Units on delivery, and to give Vendee temporary custody and possession of the Units, solely as a lessee of the Units; and

WHEREAS, Vendor is willing to accept such assignment, and to purchase and lease the Units upon the terms and conditions hereinafter stated;

NOW, THEREFORE, in consideration of the premises and of the promises of the parties herein contained, the parties agree as follows:

1. Vendee hereby assigns to Vendor its rights to receive and purchase the Units under the Purchase Orders and Vendor hereby accepts such assignment and designates the Vendee as its agent to accept delivery of the Units.

2. Vendor agrees to lease the Units to Vendee and Vendee agrees to hire the Units from Vendor at the delivery points above referred to. The rights of Vendee hereunder in respect of each Unit shall commence on the date of acceptance of such Unit as agent for the Vendor and end on the earlier of January 17, 1981, or the date of payment of the purchase price of such Unit under the above financing arrangements. Vendee shall purchase the Units from Vendor or provide a purchaser therefor on or before January 17, 1981, and Vendor shall sell the Units to Vendee or such purchaser as Vendee may provide, at the total purchase prices as set in the Purchase Orders as they relate to the Units, and its obligation so to do shall be absolute, regardless of the condition of the Units at such time. When the purchase price of any Unit has been paid to Vendor, this Agreement shall automatically be terminated with respect to such Unit without further action by or notice to any party concerned. On delivery of each Unit to Vendee, Vendee will assume the responsibility and risk of loss with respect to such Unit.

3. Title to the Units shall remain in Vendor and Vendee's right and interest therein is and shall be solely that of possession, custody, and use as lessee under this Agreement. Transfer of title shall be effected only at the time of delivery of the bills of sale. Vendee shall do such acts as may be required by law, or reasonably requested by Vendor, for the protection of Vendor's title to and interest in the Units.

4. As rental for the Units, Vendee agrees to pay in cash to Vendor upon the termination of this Agreement the sum of \$1.00.

5. Vendee agrees that it will permit no liens of any kind to attach to the Units, and that it will (a) indemnify and save harmless Vendor from any and all claims, expenses, or liabilities of whatsoever kind, and (b) pay any and all taxes, fines, charges, and penalties that may accrue or be assessed or imposed upon the Units or the Vendor because of its ownership or because of the use, marking, operation, management or handling of the Units by Vendee during the term of this Agreement.

6. Vendee will, at its own expense, keep and maintain the Units in good order and running condition and will, at its option, repair or replace or promptly pay to Vendor the purchase price in cash of those Units which may be damaged or destroyed by any cause during the term that this Agreement applies to such Units.

7. Prior to the delivery of the Units to Vendee there shall be plainly, distinctly, permanently, and conspicuously marked and maintained by the Vendee upon each side of each Unit in letters not less than one-half inch in height the following words:

OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED WITH
THE INTERSTATE COMMERCE COMMISSION.

8. Vendor shall have the right to assign its rights under this Agreement or under the Purchase Orders pursuant to the financing arrangements referred to above.

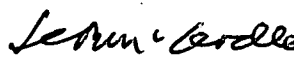
9. Vendor shall have no obligation to warrant the condition of the Units but agrees to pass to Vendee or Vendee's nominee the builder's warranties and those of any suppliers of components on or for the Units.

10. Vendee shall have the right to assign or transfer its rights hereunder, or to transfer or sublet the Units (subject to this Agreement and the rights of Vendor hereunder, and without releasing Vendee from any of its obligations hereunder) to any affiliate of Vendee.

SOUTHERN REGION INDUSTRIAL
REALTY, INC., and
SOUTHERN RAILWAY COMPANY,
By

L.S.
ATTEST:


Assistant Secretary


Vice President of each of the
above Companies

DISTRICT OF COLUMBIA.

On this 17th day of July, 1980, before me personally appeared to me D. R. McArdle, personally known, who, being by me duly sworn, says that he is a Vice President of SOUTHERN RAILWAY COMPANY and of SOUTHERN REGION INDUSTRIAL REALTY, INC., that the corporate seal of each of said corporations is affixed to the foregoing instrument, that said instrument was signed and sealed on behalf of each of said corporations by authority of its respective Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of each of said corporations.



PHILIP J. CAFFREY
NOTARY PUBLIC
IN AND FOR THE DISTRICT OF COLUMBIA
MY COMMISSION EXPIRES JUNE 14, 1983